



# THRIFT SAVINGS PLAN FINANCIAL HARDSHIP IN-SERVICE WITHDRAWAL REQUEST

TSP-U-76

Before requesting a financial hardship in-service withdrawal, **read the information and instructions in this package carefully.** You should also read the booklet *TSP In-Service Withdrawals* and the tax notice "Important Tax Information About Payments From Your TSP Account." Complete information about hardship withdrawals and the tax consequences are detailed in the booklet and tax notice which are available on the TSP Web site ([www.tsp.gov](http://www.tsp.gov)), from your service TSP representative, or from the TSP Service Office.

Make a copy of the completed form for your records and mail the original to: **TSP Service Office, P.O. Box 385021, Birmingham, AL 35238.** Or fax the completed form to our toll-free fax number: **1-866-817-5023.**

If you have questions, call the (toll-free) ThriftLine at 1-TSP-YOU-FRST (1-877-968-3778) or the TDD at 1-TSP-THRIFT5 (1-877-847-4385). Outside the U.S. and Canada, please call 404-233-4400 (not toll free).

The impact a financial hardship in-service withdrawal has on your retirement savings is significant. For example, you permanently deplete your retirement savings by the amount of your withdrawal plus any future earnings you could have received on that amount. The withdrawal is subject to Federal income tax and, if you are younger than age 59½ when you make the withdrawal, it may be subject to an early withdrawal penalty tax. In addition, you cannot contribute to the TSP for 6 months following your withdrawal. Thus, if you are in pay status and are eligible for a TSP loan, you may want to consider taking a loan rather than a withdrawal.

## DETERMINING FINANCIAL HARDSHIP

You have a financial hardship if you have an immediate and significant financial need that necessitates a distribution from your TSP account. To receive a hardship withdrawal from your TSP account, your need must arise out of **one or more** of the following situations:

- 1) On a recurring basis, **your monthly cash flow is negative.** That means that your net income is less than your ordinary monthly household expenses. (This situation does not apply if you are in Chapter 13 bankruptcy.) OR
- 2) You have incurred (or will incur within the next 6 months) one of the following extraordinary expenses, which you have not paid and for which you will not be reimbursed, for example, by insurance.
  - **Medical expenses** payable by you, your spouse, or your dependents which would be deductible by you for Federal income tax purposes without regard to any income limitation on deductibility. These expenses include, but are not limited to, expenses for physician visits, prescription drugs, hospitalization, and eye-glasses. Medical expenses also include the cost of structural changes to your home required for medical care, or the installation of special equipment necessary to accommodate an incapacitated person (for example, a wheelchair ramp or a chair lift). Medical expenses do **not** include health insurance premiums.
  - The cost of making repairs to or for replacement of property due to a **personal casualty loss** that would be deductible by you for Federal income tax purposes, but without regard to any income limitation on deductibility or the fair market value of the property or the number of loss-producing events. Personal casualty loss includes, but is not limited to, damage, destruction, or loss of property resulting from a sudden, unexpected or unusual event such as flood, earthquake, hurricane, fire, tornado, or theft.
  - **Legal expenses for attorney fees and court costs associated with separation or divorce.** Court-ordered payments to a spouse or former spouse (e.g., alimony or property settlement, child support payments, costs of obtaining prepaid legal services, and other coverage for legal services) are not allowed.

## QUALIFYING FOR A FINANCIAL HARDSHIP IN-SERVICE WITHDRAWAL

To qualify for a financial hardship withdrawal from your TSP account:

- You must have a financial hardship as described above, and certify to that effect.
- You must currently be a member of the uniformed services. (This includes members who are in nonpay status.)
- Your TSP account must contain at least \$1,000 of your own contributions and earnings on those contributions. You cannot request less than \$1,000, nor can you request more than your hardship.) If your own contributions and earnings are less than your requested amount but are at least \$1,000, you will be paid the lesser amount.
- You cannot have received a financial hardship in-service withdrawal within 6 months of the time your current request is processed.
- You cannot have a pending application for an age-based in-service withdrawal or a TSP loan.

## TERMINATING YOUR CONTRIBUTIONS

When your financial hardship withdrawal is made, the TSP will instruct your service to terminate your employee contributions (if any) for 6 months. (If you are eligible to receive matching contributions from your service, these contributions will also stop.) At the end of this 6-month period, you can ask your service to resume your contributions — they will **not** resume automatically.

## TAX WITHHOLDING ON YOUR PAYMENT

The Internal Revenue Service (IRS) generally considers financial hardship withdrawals to be "non-periodic payments" for Federal income tax purposes. However, your uniformed services TSP account may include tax-exempt contributions from combat zone pay (i.e., money that is never subject to Federal income tax). If so, the percentage of taxable and tax-exempt payments in your financial hardship in-service withdrawal must be based on the proportion of taxable and tax-exempt balances in your account at the time the distribution is made. The TSP must withhold 10% from the taxable portion unless you submit IRS Form W-4P, Withholding Certificate for Pension or Annuity Payments, with this application. Form W-4P is available from the TSP Web site, the TSP Service Office, and the IRS.

# Worksheet to Determine Negative Cash Flow

You can complete this worksheet to help you determine if you have a negative cash flow and the amount of the negative cash flow. Use the instructions at the bottom of this page to help you complete the items. If you are married, you must include financial information for yourself and your spouse. **Do not submit this worksheet with your request.**

A.	Allowance for ordinary monthly household expenses: Determine your gross monthly income as explained in the instructions, then enter the amount on the line provided. Find the factor for your monthly income and family size. Enter the factor and multiply it by the amount of monthly income. Round to the nearest whole dollar.	Total Monthly Income	Family Size		
			1 or 2	3 or 4	5 or more
		Less than \$1,250	.85	.90	.90
		\$1,250 – 1,666	.70	.80	.80
		\$1,667 – 2,499	.60	.65	.70
		\$2,500 – 3,332	.50	.55	.60
		\$3,333 – 4,166	.40	.50	.50
		\$4,167 – 5,832	.40	.45	.50
		\$5,833 or more	.30	.35	.40

  

	$\frac{\text{Gross Monthly Income}}{\text{Factor}} =$	<b>A</b>
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**B.** Enter your monthly scheduled household expenses: (See instructions.) \_\_\_\_\_ **B**

**C.** Enter your total monthly household expenses by adding Lines A and B. \_\_\_\_\_ **C**

**D.** Enter the total net monthly income: (See instructions.) \_\_\_\_\_ **D**

**E.** Subtract Line D from Line C to determine if you have a negative cash flow.  
If Line C is less than Line D, you do not have a negative cash flow. (See instructions.) \_\_\_\_\_ **E**

**F.** Multiply Line E by 6 months to determine your hardship amount due to negative cash flow: \_\_\_\_\_  $\times 6 =$  \_\_\_\_\_ **F**

## Information and Instructions for Worksheet:

- A.** The allowance for ordinary household expenses takes into account ordinary monthly recurring expenses (e.g., food, clothing, household operations, entertainment, education, health insurance premiums), including expenses frequently charged to credit cards.
- Determine **gross** monthly income by adding your gross monthly base pay, your monthly uniformed services allowances (e.g., housing, subsistence), any incentive pay or special pay you receive, and any other monthly income (such as child support) for you (and, if applicable, your spouse). Your gross pay is your entire pay before taxes and any other deductions are taken out. If you are in nonpay status, use your most current leave and earnings statement to determine gross monthly income.
- If any income for you or your spouse is not monthly, you will need to calculate the monthly amount. For example, if your spouse is paid 26 times a year (biweekly), multiply the biweekly amount by 26 and divide by 12.
- Note:** If you are a Reservist, use income from both your Reservist pay and any other employment for you and your spouse.
- B.** Your monthly scheduled household expenses include your rent or mortgage, real estate tax, your homeowner's or renter's insurance, and monthly household utilities (if these items are paid separately from your mortgage or rent), household dependent care (including household help due to illness or injury) and any expenses you pay for alimony, maintenance, or child support. You should also include any installment loan payments (other than those related to a TSP loan). Do not include credit cards or charge accounts or any interest charges on them. These items are taken into consideration in your allowance for ordinary monthly household expenses. **Note:** If you are living away from your family on extended temporary duty, add together your and your family's expenses.
- C.** Add Lines A and B to determine your total monthly household expenses.
- D.** To calculate the **net** monthly income for you, and, if applicable, your spouse, add the monthly amounts for Federal, state, and local income tax withholding, OASDI (Social Security)/Medicare, and monthly Federal retirement deduction (i.e., FERS or CSRS, if applicable). If your spouse has any other type of monthly retirement plan deductions or makes monthly TSP contributions, also add those items. Subtract this total from the gross monthly income you provided in Item A and enter the result on Line D.
- E.** If the number shown on Line C is less than the number shown on Line D, you do not have a negative cash flow. You are not eligible for a hardship withdrawal because of negative cash flow. You do not need to complete Item F. Otherwise, subtract the number on Line D from Line C. Enter this number on Line E.
- F.** Multiply the number on Line E by 6 to determine the hardship amount that you may be eligible to request due to negative cash flow.

**Do not submit this worksheet with your application.**



# THRIFT SAVINGS PLAN FINANCIAL HARDSHIP IN-SERVICE WITHDRAWAL REQUEST

TSP-U-76

## I. INFORMATION ABOUT YOU

1. Name \_\_\_\_\_  
Last First Middle
2. \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Social Security Number
3. (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Daytime Phone (Area Code and Number)
4. Address \_\_\_\_\_  
Street address or box number
5. City \_\_\_\_\_ 6. \_\_\_\_\_ 7. \_\_\_\_\_  
State/Country Zip Code

## II. WITHDRAWAL REQUEST

The amount you request must be \$1,000 or more and cannot be more than the dollar amount that will relieve the hardship indicated in Item 9.

8. Amount of withdrawal you are requesting \$ \_\_\_\_\_ .00
9. Reason(s) you are requesting a financial hardship withdrawal. (See "Determining Financial Hardship" in the instructions, then check all that apply.)
- ☐ Negative monthly cash flow ☐ Medical expenses
- ☐ Legal expenses for separation or divorce ☐ Personal casualty loss

## III. SPOUSE INFORMATION

10. Are you married (even if separated from your spouse)?
- ☐ Yes (Complete this section.) ☐ No (Skip to Section V.)
11. \_\_\_\_\_ 12. \_\_\_\_\_  
Spouse's Name Last First Middle Spouse's Social Security Number

## IV. FOR MARRIED UNIFORMED SERVICES PARTICIPANTS ONLY

Your spouse must consent to your withdrawal. His or her signature must be notarized.

**Spouse's Consent:** By signing below, I consent to this financial hardship in-service withdrawal from my spouse's uniformed services Thrift Savings Plan account.

13. \_\_\_\_\_ 14. \_\_\_\_\_  
Spouse's Signature Date Signed

### Notarization of Spouse's Signature:

15. On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, the person who signed Item 13 above,  
Month Year  
who is known to or was identified by me, personally appeared and acknowledged to me that he or she signed this form. In witness thereof, I have signed below on this date.

[seal]

My commission expires: \_\_\_\_\_ Notary Public's Signature

Jurisdiction

16. Participant: ☐ Check here if you cannot obtain your spouse's signature.

## V. REQUEST FOR DIRECT DEPOSIT

17. \_\_\_\_\_ 18. \_\_\_\_\_  
Name of Financial Institution Routing Number (Must be 9 digits.)
19. Type of Account ☐ Checking ☐ Savings 20. \_\_\_\_\_  
Account Number

## VI. YOUR CERTIFICATION

I agree to the conditions for a financial hardship withdrawal stated on this form. I certify that I have a financial hardship, as described in the instructions to this form, and that the dollar amount of this request does not exceed the actual amount of my financial hardship. I further certify that the information I have provided in this withdrawal request is true and complete to the best of my knowledge. **Warning:** Any intentional false statement in this application or willful misrepresentation concerning it is a violation of law that is punishable by a fine of as much as \$10,000 or imprisonment for as long as 5 years, or both (18 U.S.C. 1001).

21. \_\_\_\_\_ 22. \_\_\_\_\_  
Participant's Signature Date Signed

1

## INFORMATION AND INSTRUCTIONS

### I. INFORMATION ABOUT YOU

**1 – 7:** Complete this section. **Unless you choose direct deposit, a check for your financial hardship withdrawal will be mailed to the address in your TSP account record.** If that address is not correct, have your service correct your address

**before** you request a withdrawal. The TSP **will not** use the address that you provide on your financial hardship withdrawal request to change your TSP account address or to mail your check.

### II. WITHDRAWAL REQUEST

**8:** You may not request less than \$1,000. The maximum withdrawal amount depends on the amount of your own contributions and earnings. If your contributions and earnings are less than your requested amount but are at least \$1,000, you will be paid the lesser amount.

The amount you request here cannot exceed the total of the amount associated with the hardship reason(s) you indicate in **Item 9**.

**9:** Indicate the reason or reasons for your financial hardship. After completing the form, you will have to, by signing this form, certify to the validity of the

information you are providing. If you are requesting a hardship withdrawal due to negative monthly cash flow, we recommend that you use the Worksheet to Determine Negative Cash Flow provided in this package. This will help you determine whether you have a negative cash flow and the amount you may be eligible to request. If you are in Chapter 13 bankruptcy, you cannot request a hardship withdrawal due to negative cash flow. This is because the court has shielded you against a negative cash flow position.

### III. SPOUSE INFORMATION

Spouses' rights apply to all in-service withdrawal requests. If you are married, this means that your spouse must consent to your financial hardship in-service withdrawal.

**10 – 12:** You must complete **Item 10**, and, if married, provide your spouse's name and Social Security number in **Items 11 and 12**. Otherwise, the TSP may not be able to process your request.

### IV. FOR MARRIED UNIFORMED SERVICES PARTICIPANTS ONLY

**13 – 16:** If you are a married uniformed services participant, your spouse must give written consent to the withdrawal by signing and dating **Items 13 and 14**. In addition, your spouse's signature must be notarized in **Item 15**. The notary must provide all of the requested information and place his or her seal or stamp by this item.

If you cannot obtain your spouse's signature because his or her whereabouts are unknown or you believe that exceptional circumstances apply, check **Item 16** and submit Form TSP-U-16, Exception to Spousal Requirements, along with the documentation required for that form. You should submit Form TSP-U-16 with your withdrawal request.

### V. REQUEST FOR DIRECT DEPOSIT

**17 – 20:** Your financial hardship withdrawal will be mailed to you at the address in your TSP record unless you indicate that you would like the withdrawal to be sent directly to your checking or savings account. Direct deposit by electronic funds transfer (EFT) is a safer method than sending a check. Also, lost, stolen, damaged, or misdirected

checks could take 6 weeks or longer to replace. If you want to have your withdrawal sent by EFT, provide the requested information in **Items 17 – 20**. If you do not know the routing number of your financial institution (**Item 18**), contact your financial institution for this information. The TSP will make your payment directly to your financial institution.

### VI. YOUR CERTIFICATION

**21 – 22:** Read the certification carefully. By signing this section you are agreeing to the conditions stated in this package and certifying that you have a genuine financial hardship of no less than the requested amount, as explained in the introductory information, "Determining Financial Hardship."

Before signing this request, keep in mind that your contributions, if any (and any matching contributions, if applicable), will be **terminated for 6 months** after your withdrawal has been paid.

**PRIVACY ACT NOTICE.** We are authorized to request this information under 5 U.S.C. chapter 84. Executive Order 9397 authorizes us to ask for your Social Security number, which will be used to identify your uniformed services account. We will use the information you provide on this form to process your request for a financial hardship withdrawal. This information may be shared with other Federal agencies and the uniformed services for statistical, auditing, or archiving purposes. In addition, we may share the information with law enforcement agencies investigat-

ing a violation of civil, criminal, or military law, or agencies implementing a statute, rule, or order. It may be shared with congressional offices, private sector audit firms, spouses, former spouses, and beneficiaries, and their attorneys. We may also disclose relevant portions of the information to appropriate parties engaged in litigation. You are not required by law to provide this information, but if you do not provide it, we will not be able to process your request for a financial hardship withdrawal.